



APPENDIX.**ORGANIC ACT**

39 Stat. 547

Approved August 29, 1916

"Sec. 5. That the statutory laws of the United States hereafter enacted shall not apply to the Philippine Islands, except when they specifically so provide, or it is so provided in this Act."

"Sec. 19. * * * all laws enacted by the Philippine Legislature shall be reported to the Congress of the United States, which hereby reserves power and authority to annul the same."

"Sec. 24. There shall be appointed by the President an auditor, who shall examine, audit, and settle all accounts pertaining to the revenues and receipts from whatever source of the Philippine government. * * * He shall perform a like duty with respect to all government branches. * * * As soon after the close of each fiscal year as the accounts of said year may be examined and adjusted the auditor shall submit to the Governor General and the Secretary of War an annual report of the fiscal concerns of the government, showing the receipts and disbursements of the various departments and bureaus of the government and of the various provinces and municipalities, and make such other reports as may be required of him by the Governor General or the Secretary of War."

REVENUE ACT OF 1916

39 Stat. 756

Approved September 8, 1916

TITLE I, PART I

"Sec. 8(b). On or before the first day of March, nineteen hundred and seventeen, and the first day of March in each year thereafter, a true and accurate return under oath shall be made by each person of lawful age, except as hereinafter provided, having a net income of \$3,000 or over for the taxable year to the Collector of Internal Revenue for the district in which such person has his legal residence or place of business, or if there be no legal resi-

dence or place of business in the United States, then with the Collector of Internal Revenue at Baltimore, Maryland, in such form as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, setting forth specifically the gross amount of income from all separate sources, and from the total thereof deducting the aggregate items of allowances herein authorized * * *."

Note: This provision of said Section 8 was not altered by Section 1204(1) of the Revenue Act of 1917 amending said Section 8.

"Sec. 9(a). That all assessments shall be made by the Commissioner of Internal Revenue and all persons shall be notified of the amount for which they are respectively liable on or before the first day of June of each successive year, and said amounts shall be paid on or before the fifteenth day of June, except in cases of refusal or neglect to make such return and in cases of erroneous, false or fraudulent return, in which cases the Commissioner of Internal Revenue shall, upon the discovery thereof, at any time within three years after said return is due, or has been made, make a return upon information obtained as provided for in this title or by existing law, or require the necessary corrections to be made, and the assessment made by the Commissioner of Internal Revenue thereon shall be paid by such person or persons immediately upon notification of the amount of such assessment * * *."

Note: This provision of said Section 9 was not altered by Section 1205(1) of the Revenue Act of 1917 amending said Section 9.

TITLE I, PART III

"Sec. 15. That the word 'State' or 'United States' when used in this title shall be construed to include any territory, the District of Columbia, Porto Rico, and the Philippine Islands, when such construction is necessary to carry out its provisions."

Note: This Section was not amended by the Revenue Act of 1917.

"Sec. 23. That the provisions of this title shall extend to Porto Rico and the Philippine Islands: provided, that *the administration of the law and the collection of the taxes imposed in Porto Rico and the Philippine Islands shall be by the appropriate internal revenue officers of those governments, and all revenues collected in Porto Rico and the Philippine Islands thereunder shall accrue intact* to the general governments thereof, respectively. Provided further, that the jurisdiction in this title conferred upon the District Courts of the United States shall, so far as the Philippine Islands are concerned, be vested in the courts of first instance of said Islands * * *." (Italics supplied.)

Note: This Section was not amended by the Revenue Act of 1917.

REVENUE ACT OF 1917

40 Stat. 300

Approved October 3, 1917

TITLE I, WAR INCOME TAX

"Sec. 5. That the provisions of this title shall not extend to Porto Rico or the Philippine Islands, and the Porto Rican or Philippine Legislature shall have power by due enactment to amend, alter, modify or repeal the income tax laws in force in Porto Rico or the Philippine Islands, respectively."

REVENUE ACT OF 1918

40 Stat. 1057

Approved February 24, 1919

TITLE I

"Sec. 1. That when used in this Act"—* * *

"The term 'United States' when used in a geographical sense includes only the states, the territories of Alaska and Hawaii, and the District of Columbia";

TITLE II, PART II

"Sec. 210. That in lieu of the taxes imposed by subdivision (a) of Section 1 of the Revenue Act of 1916 and by Section 1 of the Revenue Act of 1917, there shall be

levied, collected, and paid for each taxable year upon the net income of every individual a normal tax at the following rates:

“(a) For the calendar year 1918, 12 per centum of the amount of the net income in excess of the credits provided in Section 216: Provided, that in the case of a citizen or resident of the United States the rate upon the first \$4,000 of such excess amount shall be 6 per centum;

“(b) For each calendar year thereafter, 8 per centum of the amount of the net income in excess of the credits provided in Section 216: Provided, that in the case of a citizen or resident of the United States the rate upon the first \$4,000 of such excess amount shall be 4 per centum.”

“Sec. 211(a). That, in lieu of the taxes imposed by subdivision (b) of Section 1 of the Revenue Act of 1916 and by Section 2 of the Revenue Act of 1917, but in addition to the normal tax imposed by Section 210 of this Act, there shall be levied, collected, and paid for each taxable year upon the net income of every individual, a surtax equal to the sum of the following: (Rate and block provisions not copied.)

Note: By Section 5 of the Revenue Act of 1917, the provisions of Section 2 of that Act, referred to above, were made not applicable in the Philippine Islands. See also Record, page 39.

“Sec. 222 (a). That the tax computed under Part II of this title shall be credited with:

(1) In the case of a citizen of the United States, the amount of any income, war profits and excess profits taxes paid during the taxable year to any foreign country, upon income derived from sources therein, or to any possession of the United States;”

“Sec. 227(b). Returns shall be made to the collector for the district in which is located the legal residence or principal place of business of the person making the return, or, if he has no legal residence or principal place of business in the United States, then to the collector at Baltimore, Maryland.”

TITLE II, PART IV

"Sec. 250(d). Except in the case of false and fraudulent returns with intent to evade the tax, the amount of tax due under any return shall be determined and assessed by the Commissioner within five years after the return was due or was made, and no suit or proceeding for the collection of any tax shall be begun after the expiration of five years after the date when the return was due or was made." * * *

"Sec. 260. That any individual who is a citizen of any possession of the United States (but not otherwise a citizen of the United States) and who is not a resident of the United States, shall be subject to taxation under this title only as to income derived from sources within the United States, and in such case the tax shall be computed and paid in the same manner and subject to the same conditions as in the case of other persons who are taxable only as to income derived from such sources."

"Sec. 261. That *in Porto Rico and the Philippine Islands the income tax shall be levied, assessed, collected, and paid in accordance with the provisions of the Revenue Act of 1916 as amended.*

*"Returns shall be made and taxes shall be paid under Title I of such Act in Porto Rico or the Philippine Islands, as the case may be, by (1) every individual who is a citizen or resident of Porto Rico or the Philippine Islands or derives income from sources therein * * *. (Italics supplied.)"*

"The Porto Rico or Philippine legislature shall have power by due enactment to amend, alter, modify, or repeal the income tax laws in force in Porto Rico or the Philippine Islands, respectively."

TITLE XIV

"Sec. 1400(a). That the following parts of Acts are hereby repealed, subject to the limitations provided in subdivision (b) :

"(1) The following titles of the Revenue Act of 1916:

"Title I (called 'Income Tax') * * *

“(3) The following titles of the Revenue Act of 1917:
 “Title XII (called ‘Income Tax Amendments’)

* * * * *

“(b) Such parts of Acts shall remain in force for the assessment and collection of all taxes which have accrued thereunder, and for the imposition and collection of all penalties or forfeitures which have accrued and may accrue in relation to any such taxes, and except that the unexpended balance of any appropriation heretofore made and now available for the administration of any such part of an Act shall be available for the administration of this Act or the corresponding provision thereof: *Provided, that except as otherwise provided in this Act, no taxes shall be collected under Title I of the Revenue Act of 1916 as amended by the Revenue Act of 1917, * * * in respect to any period after December 31, 1917: * * * In the case of any tax imposed by any part of an Act herein repealed, if there is a tax imposed by this Act in lieu thereof, the provision imposing such tax shall remain in force until the corresponding tax under this Act takes effect under the provisions of this Act.*

“Title I of the Revenue Act of 1916 as amended by the Revenue Act of 1917 shall remain in force for the assessment and collection of the income tax in Porto Rico and the Philippine Islands, except as may be otherwise provided by their respective legislatures.” (Italics supplied.)

ACT OF PHILIPPINE LEGISLATURE, NO. 2833

Public Laws of the Philippine Islands, Vol. 14

Approved March 7, 1919

Effective January 1, 1920

“Sec. 9(a) All assessments shall be made by the Collector of Internal Revenue and all persons shall be notified of the amount for which they are respectively liable on or before the first day of June of each successive year, and said amounts shall be paid on or before the fifteenth day of June, except in cases of refusal or neglect to make such return and in cases of erroneous, false, or fraudulent returns, in which cases the Collector of Internal Revenue shall, upon the discovery thereof, at any time within three

years after said return is due, or has been made, make a return upon information obtained as provided for in this law or any existing law, or require the necessary corrections, to be made, and the assessment made by the Collector of Internal Revenue thereon shall be paid by such person or persons immediately upon notification of the amount of such assessment." * * *

"Sec. 20. * * * Title I of the Act of the United States Congress approved September eighth, nineteen hundred and sixteen, entitled 'An Act to increase the revenue and for other purposes,' and Title XII of the Act of the United States Congress approved October third, nineteen hundred and seventeen, entitled 'An Act to provide revenues to defray war expenses, and for other purposes,' are hereby superseded, except as herein otherwise provided. * * *"

REVENUE ACT OF 1921

42 Stat. 227

Approved November 23, 1921

TITLE II, PART IV

"Sec. 250(d). The amount of income * * * taxes due under any return made * * * under prior income * * * tax Acts, * * * shall be determined and assessed within five years after the return was filed, * * * and no suit or proceeding for the collection of any such taxes due * * * under prior income * * * tax Acts * * * shall be begun after the expiration of five years after the date when such return was filed * * *. Provided, further, that in the case of * * * failure to file a required return, the amount of tax due may be determined, assessed, and collected, and a suit or proceeding for the collection of such amount may be begun, at any time after it becomes due. * * *"

REVENUE ACT OF 1924

43 Stat. 253

Approved June 2, 1924

TITLE IX

"Sec. 912. In proceedings before the Board the burden of proof shall be upon the Commissioner to show that a

petitioner is liable as a transferee of property of a taxpayer, but not to show that the taxpayer was liable for the tax."

Note: Said Section 912 was enacted as Section 602 of the Revenue Act of 1928.

REVENUE ACT OF 1926

44 Stat. 9

Approved February 26, 1926

TITLE II, PART V

"Sec. 278 * * *

"(e). This section shall not * * * authorize the assessment of a tax * * * if at the time of the enactment of this Act such assessment * * * was barred by the statutory period of limitation properly applicable thereto, * * *."

"Sec. 280(a). The amounts of the following liabilities shall * * * be assessed, collected, and paid in the same manner and subject to the same provisions and limitations as in the case of a deficiency in a tax imposed by this title * * *:

(1) The liability, at law or in equity, of a transferee of property of a taxpayer, in respect of the tax (including interest, additional amounts, and additions to the tax provided by law) imposed upon the taxpayer by this title or by any prior income * * * tax Act." * * *

"(b) The period of limitation for assessment of any such liability of a transferee * * * shall be as follows:

"(1) Within one year after the expiration of the period of limitation for assessment against the taxpayer. * * *

"(c) For the purpose of this section, if the taxpayer is deceased, or in the case of a corporation, has terminated its existence, the period of limitation for assessment against the taxpayer shall be the period that would be in effect had the death or termination of existence not occurred." * * *

REVENUE ACT OF 1928

45 Stat. 791

Approved May 29, 1928

TITLE I, C, SUPP. N

"Sec. 311(b). The period of limitation for assessment of any such liability of a transferee * * * shall be as follows:

"(1) In the case of the liability of *an initial transferee* of the property, * * * within one year after the expiration of the period of limitation for assessment against the taxpayer;

"(2) In the case of the liability of *a transferee of a transferee* of the property of the taxpayer, * * * within one year after the expiration of the period of limitation for assessment against the preceding transferee, but only if within three years after the expiration of the period of limitation for assessment against the taxpayer." (Italics supplied.)

REVENUE ACT OF 1938

52 Stat. 447

Effective May 28, 1938

TITLE V

"Sec. 813(a). Income, war-profits, and excess-profits taxes *imposed by* the Revenue Act of 1917 or *the Revenue Act of 1918* for any taxable year shall, in the case of the following taxpayers, be assessed, collected, and paid, without the assessment, collection, or payment of interest incurred prior to July 1, 1939, or of penalties, additional amounts, or additions to tax, incurred prior to the date of the enactment of this Act;

"(1) Individuals who were bona fide residents of a possession of the United States for more than six months during such taxable year and who were taxable as citizens of the United States." * * * (Italics supplied.)